

MEMORANDUM

This memorandum is concluded between Commodore Japan Ltd. (hereinafter referred to as COMMODORE) and HAL Laboratory, Ltd. (hereinafter referred to as HAL) with the following stipulations concerning the development and/or conversion of game softwares (hereinafter referred to as SOFTWARE)

Article A : SOFTWARE developed by HAL as an original SOFTWARE

1: Copyright

When the computer is turned on with the SOFTWARE plugged in, the screen shall display HAL's name as well as COMMODORE's name to show who the copyright of SOFTWARE belongs to.

2: Royalty

The royalty per cartridge is Yen 100 upto the total amount of Yen 10,000,000-

3: Minimum guaranty

In order for COMMODORE to buy SOFTWARE from HAL, COMMODORE must give HAL a minimum guaranty of Yen 5,000,000 per SOFTWARE and the payment of Yen 5,000,000 must be made within sixty(60) days from the date E-PROM containing SOFTWARE is submitted to COMMODORE by HAL.

4: Source Code of SOFTWARE

HAL shall deliver to COMMODORE the source code of SOFTWARE immediately after the first payment of Yen 5,000,000 is made by COMMODORE to HAL

5: Exclusivity

If COMMODORE desires to be licensed SOFTWARE exclusively, the additional payment of Yen 5,000,000 must be made within six(6) months from the date the first payment is made. In case that COMMODORE do not make the second payment to HAL within six(6) months, HAL has an option to license SOFTWARE to the third party(parties) which includes(include) personal computer companies as well as video game companies. HAL always keep the option to license SOFTWARE to the manufacturer(s) of coin-operated arcade machines.

6: Copyright infringement

Commodore is always kept free from any copyright infringement that may be raised by the third party.

Article B : SOFTWARE converted by HAL per COMMODORE's request

1: Copyright HAL's name shall not be included in SOFTWARE.

2: Conversion charge

The payment of Yen 1,000,000 shall be made by COMMODORE to HAL when the request to convert SOFTWARE is made to HAL. The payment of the balance shall be made to HAL by COMMODORE within thirty(30)

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days from E-PROM containing SOFTWARE is submitted. The total amount of the conversion charge will vary from game to game depending upon the complexity of the game. However, it shall be in the neighborhood of Yen 2,000,000 per SOFTWARE.

3:Source Code of SOFTWARE

HAL shall deliver to COMMODORE the source code of SOFTWARE immediately after the second payment is made by COMMODORE to HAL

4:Copyright infringement

HAL is always kept free from any copyright infringement that may be raised by the third party

Effective Date :

Commodore Japan Limited

By _____

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